

MAYOR & COUNCIL AGENDA COVER SHEET

MEETING DATE:

September 8, 2003

CALL TO PODIUM:

Daniel Janousek

RESPONSIBLE STAFF:

**Daniel Janousek, AICP
Long Range Planning**

AGENDA ITEM:

(please check one)

| | |
|----------|------------------------------|
| | Presentation |
| | Proclamation/Certificate |
| | Appointment |
| | Public Hearing |
| | Historic District |
| | Consent Item |
| | Ordinance |
| | Resolution |
| | Policy Discussion |
| X | Work Session Discussion Item |
| | Other: |

PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

| | |
|-------------------|------------|
| Introduced | |
| Advertised | 05-14-2003 |
| | 05-21-2003 |
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| Hearing Date | 6-02-2003 |
| Record Held Open | 7-02-2003 |
| Policy Discussion | 7-07-2003 |

TITLE: Joint Work Session

SDP-03-004, Amendment to SDP 7-1 from 26,000 square feet of previously approved retail land use to 42,091 square feet of mixed land use. The subject property is located at 183 Kentlands Boulevard, Midtown, Kentlands, Lot 1 Block Q and is bordered by Great Seneca Highway and Kentlands Boulevard. The subject property consists of approximately 3.41 acres of land and is zoned MXD (Mixed Use Development).

SUPPORTING BACKGROUND:

A Policy Discussion was held for this SDP Amendment on July 7, 2003.

On August 26th, 2003 the Kentlands Citizen's Assembly and the Lakelands Community Association jointly sponsored a meeting to discuss the Saul Centers development proposals in Kentlands.

A report of the meeting (see attached) was prepared by Michael Berney.

DESIRED OUTCOME:

Conduct Work Session and Provide Staff Guidance.

Kentlands/Lakelands Community Input

Saul Centers Proposed Development

August 26, 2003

Lakelands Clubhouse (approximately 30 individuals attended)

Meeting Objectives:

- To better understand the developer's perspective on mid-town and the proposals now in front of the City of Gaithersburg;
- To better understand the concerns of those opposed to that proposed development; and
- To get a sense of what our community thinks after hearing those perspectives

Agenda:

Welcome

-Joe Coratola, President, Lakelands Community Association

-Sigrid McCutcheon, Board Member, Kentlands Citizens Assembly

Saul Centers Presentation

-John Collich, Senior VP, Saul Centers, Inc.

Concerns

-Diane Dorney, Editor, *Town Paper* & Mike Watkins, DPZ Director of Town Planning in its Gaithersburg office

Small Group Discussion

Task:

Identify positive points and concerns concerning proposed development

Meeting Notes

Saul Centers Presentation

-John Collich, Senior VP, Saul Centers, Inc.

Background on Saul Centers, Inc.

About 1 year ago, decided to own a piece of Kentlands and acquired the Lowe's tract (see attachment). The original vision was to create a streetscape. Came up with a street edge that will be critical to the overall development; did not extend along line to Lowe's as that would interfere with Lowe's business use.

Questions from audience:

Did Saul Centers participate in DPZ's Kentlands 15th anniversary charrette? Mr. Collich said that Saul representatives had dropped by the charrette sessions on several occasions, but had not attended the presentations because of prior commitments, including a hearing on another project in another community.

Explains the pamphlet:

- First page shows the front of the office retail building (sketched). The tower is intended to provide a landmark feature as people enter the community.
- Second page is the same view on the bottom, but also shows the back of the building (top of page), middle left picture shows east elevation, middle right picture shows west elevation: wanted to emphasize the quality materials used on all four sides of the building.
- Third page shows the footprints: retail on the bottom and smaller office uses on the second level of the building.
- Fourth page shows the street edge starting across from Blockbuster Video and moving towards Mattress Discounters: wanted to again emphasize that quality materials are used on all four sides of the building. We broke those buildings because we believe that it is essential to be able to walk from the parking area to the front of the building.
- We want to emphasize that there are not large, marquee features that would designate one side of the building as more important than the other.
- The last page in the flyer is a black and white re-engineering of the original design after sitting down with the planning staff, who were concerned that there were too many car access routes. Saul Centers closed down one of the car entrances: the elevations need to be revised to reflect that new design.

Is Chevy Chase Bank a part of Saul Centers?

No, separate entity, but share the same chairman.

I'm worried about having all these different types of architecture facing each other? Can you exert muscle power over Lowe's?

Unlikely. To say that there is any pressure on Lowe's—we have a hard time having them just keep the parking area clean.

The 10-year master plan will have A streets and B streets: have you actually talked to them about putting the buildings on that side of the street?

To get them to agree on the corner building was very difficult.

What do you envision in terms of tenants?

In lot 1, we hope to attract some fine restaurants. We have a staff of professionals who know all the retailers out there and we believe those better tenants should be in this market.

What is the length of the Lowe's lease?

Long-term. At this time we envision Lowe's remaining in the development. It's hard to speculate on the long-term plans of Lowe's.

Meeting Notes

Concerns

[Diane Dorney and Mike Watkins spoke as community residents, not as representatives of their organizations.]

–Diane Dorney, Editor, *Town Paper*

DPZ convened a Kentlands 15th anniversary in June, and one result was a five-year, 10-year and 15-year vision for development. The current proposal does not conform to the master plan set forth by the charrette team, which allows the parking lots to evolve into higher-density, mixed-use areas with structured parking.

Starting infilling these surface parking lots is great. Our concern is with where the buildings are placed. Main Street and Market Street, extended into the current Kentlands Square Shopping Center parking lots, are meant to be primary streets. These are the streets along which buildings should be placed.

Part of the problem in positioning the buildings along the B street is that's where one would need to build a parking structure. These buildings will also face a parking lot that will never be built upon. Also, access to this street from the parking lots between Whole Foods and Zany Brainy does not make it a pedestrian-friendly walk from the neighborhoods.

It is a shame if we don't at least pursue negotiating with Lowe's now. It will be much more difficult if we build structures now that interfere with later development.¹ We believe that there were planning options that will suit the neighborhood better, suit the tenants better, and suit Lowe's better.

–Mike Watkins, DPZ Director of Town Planning in its Gaithersburg office

One of the things that you are considering tonight is looking at a proposal to let a developer do more than they are entitled to do. Is it worth letting this developer have more than that to which they are entitled because they are giving something back that represents a fair trade? Shouldn't you encourage Saul Centers to pursue additional density and more pedestrian-friendly development?

Letting Saul Centers do this development gives them less reason to consider an alternative. Another concern is if you allow the developer to do what they propose, is it appropriate? For example, yes, there should be a two-story building, but not out by Lowe's that requires pedestrians to cross parking lots.

Questions

What about the parking development proposed?

Short answer is that the parking is already gone because the spaces are used for flowers and mulch piles. There is no question that streetscape development would eat into the more valuable parking.

¹ See 5, 10 and 15-year schemes that show how development evolves.

General Questions

How much power does Lowe's as a tenant have over the parking lot?

John Collich: There is a lease in place that would prevent anything but a single 6,000 square foot building in the northwest corner of the parking lot opposite Blockbuster. The larger project would not be possible. But we don't see anything in the long-term plan that would be prevented by the development we propose today.

Doesn't adding more tenants now create more potential opponents to future development?

John Collich: Small tenants won't pose a problem; Lowe's is difficult to motivate.

Why is it difficult to deal with Lowe's in closing the gap?

John Collich: Lowe's in this particular location is very successful. Management of a successful store is usually not receptive to change. You need to motivate them to go to their management group. If the change is successful, they don't improve their standing; but if the change is detrimental, they look bad in front of their chairman. Big companies do not do things because they get a phone call.

Mike Watkins: If we were able to sit with Lowe's, we could use design as a problem solving tool and get them more space. The win-win could be the community gets something that is more pedestrian friendly. We could meet some of Lowe's needs for expansion.

I don't understand the process to get Lowe's to agree. Lowe's as a Fortune 100 needs to be socially responsible (look at the better reputation of competitor Home Depot), so there should be ways to approach Lowe's to get them to shift.

John Collich: My experience with them is that their focus is on sales. As far as social good will, I don't know, they probably would not look at a single store or cooperating with a single community but a program on a national level.

You seem to be focusing on Plan A and Plan B. Is there a reason that we are not considering development on the north side of Main Street. Couldn't we pursue the development?

Mike Watkins: That has been considered. It is far better to have both sides of the street commercial. The unnamed street dumps into a parking lot.

Dick Arkin: There has been a lot of interest expressed in the transitway. It's important to be sure that none of the options that are being considered by the state, etc. in terms of the transit proposals hurt the chances of transit coming to Kentlands. I think we should all be pushing for transit. And none of these proposals would stand in the way of the proposed development.

Small Group Discussion Report Out**Positive Aspects of Proposed Development**

- Very glad that buildings will be finished on all sides.
- Support of density.
- Really appreciate that Saul Centers is coming to meetings like this to engage the community.
- That Saul Centers viewed Kentlands as a good investment, good place to be.
- That one of the proposed buildings is two-stories.
- Office space (mixed use) is included.
- Does not preclude the light rail development under consideration.
- It's great to see our City Council members and staff come out for these meetings.

Concerns about Proposed Development

- How will the future parking situation be handled if the smaller strip of buildings near Blockbuster's Video goes up? We feel that sort of growth would be very short-lived.
- Buildings should all be taller, to incorporate office space and perhaps some residential units. (x2)
- Not enough variety to the storefronts. Looks like something we see at Falls Grove. Make it look like the stores were built at different times, over the years. Uniformity is not a good thing.
- There is still some doubt about how much more retail this community can absorb.
- Even though the architecture appears to be four-sided, the door facing the street eventually gets locked and the windows covered over because the buildings are oriented towards the back.
- The proposed development may bring in additional traffic.
- The path from Blockbuster to Lowe's is the more important pedestrian route.
- We should keep our eye on the future – the long-term – as opposed to what revenue can be generated in the next five years.

Requests/Suggestions

- Request that John Collich and Mike Watkins try to set up a meeting with Lowe's to explore possibilities and try to use design as a tool for problem-solving. (x2)
- What does Lowe's want? What are their interests?
- This could be a much more important store, similar to the Target Store in the Washingtonian Center, by having bigger items on the ground floor and items carried by stores like the Container Store on upper level(s).
- The parking lot section that Lowe's now uses to store mulch could be an upscale "Lowe's" garden center.
- The Washingtonian Center development is a terrific example of where the City insisted on excellence and we shouldn't do any less here. The County opened up zoning in Bethesda to permit large buildings and required the developers to provide amenities (ice rink, gardens, etc.). They sponsored design competitions in which a number of developers competed for the right to build.
- No more one story buildings.

Closing and Thank You

-Dick Arkin, President, Kentlands Citizens Assembly

Thanking residents for their input, members of the City Council and City staff for attending, and encouraging all to continue to participate in ongoing City consideration of the proposals.